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***VILLAGE OF ROBELINE***  
***LOUISIANA***  
***Annual Financial Statements***  
***JUNE 30, 2004***

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-2-05



**Village of Robeline, Louisiana  
Table of Contents  
June 30, 2004**

	<b>Schedule No.</b>	<b>Page No.</b>
Management’s Discussion and Analysis.....		1
Accountant’s Compilation Report on Basic Financial Statements.....		2
Independent Accountant’s Report on Applying Agreed-Upon Procedures.....		3-5
<b>Basic Financial Statements</b>		
Statement of Net Assets – June 30, 2004.....	A	7
Statement of Activities – For the Year Ended June 30, 2004.....	B	8
Balance Sheet, Governmental Funds - June 30, 2004.....	C	9
Reconciliation of The Government Funds Balance Sheet to the Government-Wide Financial Statement of Net Assets – June 30, 2004.....	D	10
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds – For the Year Ended June 30, 2004.....	E	11
Reconciliation of The Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities – for the Year Ended June 30, 2004.....	F	12
Statement of Net Assets, Proprietary Funds – June 30, 2004.....	G	13
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds – June 30, 2004.....	H	14
Statement of Cash Flows – Proprietary Funds – June 30, 2004.....	I	15
Notes to Financial Statements.....		17-21
<b>Required Supplemental Information</b>		
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund For the Year Ended June 30, 2004.....	1	23
<b>Other Reports</b>		
Management Letter Comments.....		25
Management’s Summary of Prior Year Findings.....		26

# Village of Robeline

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Robeline, Louisiana 71469  
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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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### **USING THIS ANNUAL REPORT:**

The annual report consists of series of financial statements. The statement of net assets and the statement of activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements start on the next page. For governmental activities these statements tell how the services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Village's operation in more detail than the government-wide statements by providing information about the Village's most significant funds.

### **FINANCIAL HIGHLIGHTS:**

- Net assets increased in governmental activities by \$31,403 and net assets decreased by \$15,518 in business-type activities, which includes the sewer fund. The decrease in net assets of the business-type activities was a result of depreciation taken on the fixed assets that were financed with grants.
- The Village had overall expenses from governmental activities of \$194,334 and expenses from business-type activities of \$28,357 for a total expense for the year of \$222,691.
- The general fund operated with excess revenues over expenditures of \$27,569 and ended the year with a net change in fund balance of \$45,639.
- In the business-type activities – enterprise funds, the sewer fund had operating loss of \$(20,430), before transfers of \$4,743 from the general fund. The sewer fund had a negative cash flow from operating activities of \$3,857. The difference between the loss and cash flow is due to, in part, by depreciation expense of \$16,538, which is a non cash transaction.
- The Village amended its budget during the year and the final budget shows that there were expenditures under appropriations of \$3,141. The general fund had an unfavorable revenue budget variance of \$26,709 or 11%.
- This is the first year for the Village to implement the new GASB 34 reporting model.
- A comparative analysis will be provided in future years when prior year information is available.

### **CONTACTING THE AUTHORITY'S FINANCIAL MANGEMENT:**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show that the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact Mayor Tommy O'Conn at the Town Hall, phone number (318) 472-6121.

**JOHN R. VERCHER PC**

***Certified Public Accountant***

P.O. Box 1608  
Jena, Louisiana 71342  
Tel: (318) 992-6348  
Fax: (318) 992-4374

**ACCOUNTANT'S COMPILATION REPORT ON  
BASIC FINANCIAL STATEMENTS**

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The Honorable Tommy O'Conn, Mayor  
and Members of the Board of Aldermen  
Robeline, Louisiana

I have compiled the basic financial statements and supplemental information of the Village of Robeline, Louisiana, as of and for the year ended June 30, 2004, as listed in the table of contents, in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements, information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. I have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

In accordance with the Louisiana Government Audit Guide and the provisions of state law, I have issued a report, dated December 15, 2004, on the results of our agreed-upon procedures.

*John R. Vercher*

December 15, 2004  
Jena, Louisiana

# JOHN R. VERCHER PC

## *Certified Public Accountant*

P.O. Box 1608  
Jena, Louisiana 71342  
Tel: (318) 992-6348  
Fax: (318) 992-4374

### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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The Honorable Tommy O'Conn, Mayor  
and Members of the Board of Aldermen  
Robeline, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Village of Robeline, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Robeline, Louisiana's compliance with certain laws and regulations during the year ended June 30, 2004, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### ***Public Bid Law***

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

\* I found no such expenditures.

#### ***Ethics***

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

\* Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

\* Management provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

\* None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

### ***Budgeting***

5. Obtained a copy of the legally adopted budget and all amendments.

\* The Village provided a copy of the budget for its general fund for the fiscal year ended June 30, 2004. The budget was not amended during the year.

6. Trace the budget adoption and amendments to the minute book.

\* I traced the budget adaptation to the minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

\* I compared the revenues and expenditures of the budget to actual revenues and expenditures and found that the Village under budgeted its general fund revenue by \$26,709 or 11% during the year.

### ***Accounting and Reporting***

8. Randomly select 6 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

\* I examined supporting documentation for each of the six selected disbursements and found that each payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account;

\* All of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

\* Inspection of documentation supporting each of the six selected disbursements indicated approvals from the mayor and one council member.

### ***Meetings***

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

\* The Village meets on the third Monday of each month.

### ***Debt***

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

\* I inspected copies of all bank deposit entries in the books for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

***Advances and Bonuses***

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

\* I inspected disbursement records and read the minutes for the year and noted no instances that would indicate payments to employees which would constitute bonuses, advances or gifts.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I did not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Village of Robeline, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

*John R. Vercher*

Jena, Louisiana  
December 15, 2004

***Basic Financial Statements***

**Village of Robeline, Louisiana**  
**Statement of Net Assets**  
**June 30, 2004**

	<b>PRIMARY GOVERNEMENT</b>		
	<b>GOVERNMENTAL</b>	<b>BUSINESS-TYPE</b>	<b>TOTAL</b>
	<b>ACTIVITIES</b>	<b>ACTIVITIES</b>	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 45,633	\$ 594	\$ 46,227
Receivables (Net of Allowances for Uncollectable)	2,560	665	3,225
Restricted Assets	-0-	1,266	1,266
Investments	-0-	13,651	13,651
Capital Assets	38,264	566,740	605,004
<b>TOTAL ASSETS</b>	<b>\$ 86,457</b>	<b>\$ 582,916</b>	<b>\$ 669,373</b>
<b>LIABILITIES</b>			
Accounts, Salaries, and Other Payables	\$ 2,554	\$ 1,135	\$ 3,689
Other Liabilities	-0-	-0-	-0-
Bonds Payable	-0-	-0-	-0-
Customer Deposits	-0-	1,807	1,807
<b>TOTAL LIABILITIES</b>	<b>\$ 2,554</b>	<b>\$ 2,942</b>	<b>\$ 5,496</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	\$ 38,264	\$ 566,740	\$ 605,004
Restricted For:			
Debt Service	-0-	-0-	-0-
Unrestricted	43,085	13,234	56,319
<b>TOTAL NET ASSETS</b>	<b>\$ 81,349</b>	<b>\$ 579,974</b>	<b>\$ 661,323</b>

See accountant's report.  
The accompanying notes are an integral part of this statement.

**Village of Robeline, Louisiana**  
**Statement of Activities**  
**For the Year Ended June 30, 2004**

	PROGRAM REVENUES			NET (EXPENSES) REVENUES & CHANGES OF PRIMARY GOVERNMENT		
	Expenses	Charges for Services	Operating Grants & Contributions	Net (Expenses) Revenue	Governmental Activities	Business-Type Activities
<b>Governmental Activities</b>						
General Government	\$ 194,334	\$ 210,933	\$ -0-	\$ 16,599	\$ 16,599	\$ -0-
<b>Total Governmental Activities</b>	<u>\$ 194,334</u>	<u>\$ 210,933</u>	<u>\$ -0-</u>	<u>\$ 16,599</u>	<u>\$ 16,599</u>	<u>\$ -0-</u>
<b>Business-Type Activities</b>						
Sewer	\$ 28,357	\$ 7,927	\$ -0-	\$ (20,430)	\$ -0-	\$ (20,430)
<b>Total Business-Type Activities</b>	<u>\$ 28,357</u>	<u>\$ 7,927</u>	<u>\$ -0-</u>	<u>\$ (20,430)</u>	<u>\$ -0-</u>	<u>\$ (20,430)</u>
<b>Total Primary Government</b>	<u>\$ 222,691</u>	<u>\$ 218,860</u>	<u>\$ -0-</u>	<u>\$ (3,831)</u>	<u>\$ 16,599</u>	<u>\$ (20,430)</u>
<b>General Revenues:</b>						
Investment earnings	\$			\$	\$ -0-	\$ 169
Transfers In/(Out)					14,804	4,743
<b>Total General Revenues and Transfers</b>					<u>\$ 14,804</u>	<u>\$ 4,912</u>
<b>Change in Net Assets</b>					\$ 31,403	\$ (15,518)
<b>Net Assets-Beginning</b>					\$ 49,946	\$ 595,492
<b>Net Assets-Ending</b>					<u>\$ 81,349</u>	<u>\$ 579,974</u>

See accountant's report.  
The accompanying notes are an integral part of this statement.

**Village of Robeline, Louisiana**  
**Balance Sheet, Governmental Funds**  
**June 30, 2004**

	<b>General Fund</b>	<b>Special Revenue Non-Major</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 45,633	\$ -0-	\$ 45,633
Receivables (Net of Allowances For Uncollectibles)	2,560	-0-	2,560
Due From Other Funds	-0-	-0-	-0-
<b>TOTAL ASSETS</b>	<b>\$ 48,193</b>	<b>\$ -0-</b>	<b>\$ 48,193</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts, Salaries, and Other Payables	\$ 2,554	\$ -0-	\$ 2,554
Due to Other Funds	-0-	-0-	-0-
<b>TOTAL LIABILITIES</b>	<b>\$ 2,554</b>	<b>\$ -0-</b>	<b>\$ 2,554</b>
Fund Balances:			
Unreserved, Reported In:			
General Fund	\$ 45,639	\$ -0-	\$ 45,639
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 48,193</b>	<b>\$ -0-</b>	<b>\$ 48,193</b>

See accountant's report.  
The accompanying notes are an integral part of this statement.

**Village of Robeline, Louisiana**

**Reconciliation of The Government Funds Balance Sheet  
to the Government-Wide Financial Statement of Net Assets  
June 30, 2004**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balance, Total Governmental Funds (Statement C)	\$	45,639
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		38,264
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Other		----- -0-
Net Assets of Governmental Activities (Statement A)	\$	<u>83,903</u>

See accountant's report.  
The accompanying notes are an integral part of this statement.

**Village of Robeline, Louisiana**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2004**

	<u>General</u>	<u>Special Revenue Non-Major</u>	<u>Totals</u>
<b>Revenues:</b>			
Fees and Charges	\$ 17,608	\$ -0-	\$ 17,608
Taxes	8,002	19,547	27,549
Fines & Forfeitures	185,073	-0-	185,073
Grants	-0-	-0-	-0-
Intergovernmental Revenues:	250	-0-	250
<b>Total Revenues</b>	<u>\$ 210,933</u>	<u>\$ 19,547</u>	<u>\$ 230,480</u>
<b>Expenditures:</b>			
Personnel Expense	\$ 110,681	\$ -0-	\$ 110,681
Police Expense	14,173	-0-	14,173
Other Administrative	24,406	-0-	24,406
Utilities	14,813	-0-	14,813
Capital Outlay	9,323	-0-	9,323
Professional	1,468	-0-	1,468
Contract Labor	8,500	-0-	8,500
<b>Total Expenditures</b>	<u>\$ 183,364</u>	<u>\$ -0-</u>	<u>\$ 183,364</u>
<b>Excess (Deficiency) of Revenues Over Under Expenditures</b>	<u>\$ 27,569</u>	<u>\$ 19,547</u>	<u>\$ 47,116</u>
<b>Other Financing Sources (Uses):</b>			
Transfers In/(Out)	<u>\$ 14,804</u>	<u>\$ (19,547)</u>	<u>\$ (4,743)</u>
<b>Total Other Financing Sources and Uses</b>	<u>\$ 14,804</u>	<u>\$ (19,547)</u>	<u>\$ (4,743)</u>
<b>Net Change in Fund Balance</b>	\$ 42,373	\$ -0-	\$ 42,373
<b>Fund Balances--Beginning</b>	3,266	-0-	3,266
<b>Fund Balances--Ending</b>	<u>\$ 45,639</u>	<u>\$ -0-</u>	<u>\$ 45,639</u>

See accountant's report.  
The accompanying notes are an integral part of this statement.

**Village of Robeline, Louisiana**

**Reconciliation of The Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended June 30, 2004**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental Funds, Statement E	\$		42,373
Governmental funds report capital outlays as expenditure. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.			-0-
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			-0-
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			(10,970)
Changes in Net Assets of Governmental Activities, statement B	\$		<u>31,403</u>

See accountant's report.  
The accompanying notes are an integral part of this statement.

**Village of Robeline, Louisiana**  
**Statement of Net Assets, Proprietary Funds**  
**June 30, 2004**

<b>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS</b>	
<b>(Major Enterprise Funds)</b>	
	<b>SEWER FUND</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 594
Investments	13,651
Receivables (Net of Allowances For Uncollectibles)	665
<b>Total Current Assets</b>	<b>\$ 14,910</b>
<b>Non-Current Assets</b>	
Restricted Assets	\$ 1,266
Capital Assets (Net of Accumulated Depreciation)	566,740
<b>Total Non-Current Assets</b>	<b>\$ 568,006</b>
<b>TOTAL ASSETS</b>	<b>\$ 582,916</b>
<b>LIABILITIES</b>	
Accounts, Salaries, and Other Payables	\$ 1,135
<b>Total Current Liabilities</b>	<b>\$ 1,135</b>
<b>Non Current Liabilities</b>	
Customer Deposits	\$ 1,807
<b>Total Non Current Liabilities</b>	<b>\$ 1,807</b>
<b>NET ASSETS</b>	
Invested in Capital Assets Net of Related Debt	\$ 566,740
Unrestricted	13,234
<b>TOTAL NET ASSETS</b>	<b>\$ 579,974</b>

See accountant's report.  
The accompanying notes are an integral part of this statement.

**Village of Robeline, Louisiana**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
**June 30, 2004**

<b>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS</b>	
<b>(Major Enterprise Funds)</b>	
	<b>SEWER FUND</b>
<b>Operating Revenues</b>	
Charges for Services:	
Sewer Charges	\$ 7,927
<b>Total Operating Revenues</b>	<u>\$ 7,927</u>
<b>Operating Expenses</b>	
Cost of Sales and Services	\$ 11,531
Administration	288
Depreciation	16,538
<b>Total Operating Expenses</b>	<u>\$ 28,357</u>
<b>Operating Income (Loss)</b>	<u>\$ (20,430)</u>
<b>Nonoperating Revenue (Expenses)</b>	
Interest Earnings	\$ 169
<b>Total Nonoperating Revenue (Expenses)</b>	<u>\$ 169</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>\$ (20,261)</u>
<b>Transfers In/(Out)</b>	<u>\$ 4,743</u>
<b>Change in Net Assets</b>	<u>\$ (15,518)</u>
<b>Total Net Assets - Beginning</b>	<u>595,492</u>
<b>Total Net Assets - Ending</b>	<u><u>\$ 579,974</u></u>

See accountant's report.  
The accompanying notes are an integral part of this statement.

**Village of Robeline, Louisiana**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**June 30, 2004**

<b>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS</b>	
<b>(Major Enterprise Funds)</b>	
	<b>SEWER FUND</b>
<b>Cash Flows From Operating Activities</b>	
Receipts From Customers and Users	\$ 7,927
Payments to Suppliers	(447)
Payments to Employees	(11,337)
Payments for Interfund Services Used	-0-
<b>Net Cash Provided by Operating Activities</b>	<b>\$ (3,857)</b>
<b>Cash Flows From NonCapital Financing Activities</b>	
Transfers to Other Funds	\$ -0-
Advances From Other Funds	4,743
Prior Period Adjustment	(461)
<b>Net Cash Provided (used) by NonCapital Financing Activities</b>	<b>\$ 4,282</b>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Principal on Capital Debt	\$ -0-
Interest Paid on Capital Debt	-0-
Other	-0-
<b>Net Cash Provided (used) by Capital and Related Financing Activities</b>	<b>\$ -0-</b>
<b>Cash Flows From Investing Activities</b>	
Proceeds From Sales and Maturities of Investments	\$ -0-
Purchase of Investments	-0-
Interest and Dividends Received	169
<b>Net Cash Provided (used) by Investing Activities</b>	<b>\$ 169</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ 594</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>-0-</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 594</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>	
Operating Income (Loss)	\$ (20,430)
Depreciation Expense	16,538
(Increase) Decrease in Accounts Receivable	58
Increase (Decrease) in Accounts Payables	(159)
Increase (Decrease) in Customer Deposits	292
Increase (Decrease) in Overdraft	(156)
<b>Total Adjustments</b>	<b>\$ 16,573</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (3,857)</b>

See accountant's report.  
The accompanying notes are an integral part of this statement.

*Notes  
To  
Financial Statements*

# VILLAGE OF ROBELINE, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

### **(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Robeline was incorporated under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

The Village applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The accounting and reporting policies of the Village of Robeline conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

#### **A. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meetings the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### **B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## VILLAGE OF ROBELINE, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS-(CONTINUED)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund

The municipality reports the following major proprietary funds:

- Sewer Fund

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges for services and sales taxes. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## VILLAGE OF ROBELINE, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS-(CONTINUED)

#### C. FIXED ASSETS AND LONG-TERM LIABILITIES

For the year ended June 30, 2004, no interest costs were capitalized for construction of fixed assets.

Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet and governmental fund statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	<b>Life In Years</b>
Sewer System	40
Park	10
Equipment	5-10
Auto	6

#### D. BUDGETS AND BUDGETARY ACCOUNTING

The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

- (1) The Village clerk prepares a proposed budget based on departmental group budget requests, and submits the same to the Mayor and Board of Aldermen for approval.
- (2) The Village does not utilize the budget in comparison form in financial statement presentation during the year.
- (3) All budgetary appropriations lapse at the end of the fiscal year.
- (4) The Village does not utilize encumbrance accounting.
- (5) The budget was amended during the year.

#### E. CASH AND INVESTMENTS

All cash and investments (CD's over 90 days) are reported at cost and are on deposit as following federally insured banks:

It is the Village's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Village's deposits are categorized to give an indication of the level of risk assumed by the Village at fiscal year-end. The categories are described as follows:

- *Category 1* – Insured or collateralized with securities held by the School or by its agent in the Village's name.
- *Category 2* – Collateralized with securities held by the pledging financial institution's trust department or agent in the Village's name.
- *Category 3* – Uncollateralized.

<b>Bank</b>	<b>Bank Balance 6-30-2004</b>
People State Bank	\$ 47,758

*Amounts on deposit at the bank are secured by the following:*

<b>Description</b>	<b>Market Value</b>
FDIC ( <i>Category 1</i> )	\$ 47,758
<b>Total</b>	<b>\$ 47,758</b>

**VILLAGE OF ROBELINE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS-(CONTINUED)**

**F. INVENTORIES**

Immaterial amounts of inventory are maintained for general fund and enterprise fund operations and, accordingly, these supplies are expensed as purchased.

**G. ACCOUNTS RECEIVABLE AND BAD DEBTS-GENERAL FUND AND ALLOWANCE FOR BAD DEBTS-ENTERPRISE FUND**

At June 30, 2004 no reserve for bad debts was required since the estimated uncollectable receivables outstanding were considered immaterial.

	<b>Governmental</b>		<b>Enterprise Fund</b>
	<b>Fund</b>		<b>Fund</b>
	<b>General</b>		<b>Sewer</b>
	<b>Fund</b>		<b>Fund</b>
Tax	\$ 2,560	\$	-0-
Customer	-0-		665
Allowance for Bad Debts	-0-		-0-
<b>Total</b>	<b>\$ 2,560</b>	<b>\$</b>	<b>665</b>

**H. COMPENSATED ABSENCES**

The Village has no compensated absence policy.

**(2) AD VALOREM TAXES**

The Village of Robeline levies taxes on real and business personal property located within its boundaries. The Natchitoches Parish Tax Assessor assesses the property values and prepares the Village's property tax roll. The Village bills and collects its own property taxes.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. All ad valorem tax revenues are recognized in compliance with NCGA Interpretation-3 and GASB Codification Section P70 (Revenue Recognition – Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due or past due and receivable within the current period and collected no longer than 60 days after the close of the current period.

For the year ended June 30, 2004, taxes of 6.33 mills were levied on property with assessed valuations of \$616,222. Total taxes levied were \$3,980 in 2004. Delinquent taxes are collected by the sale of the related property; therefore, no allowances for uncollectible taxes are considered necessary.

**(3) RESTRICTED ASSETS - PROPRIETARY FUND TYPES**

At June 30, 2004, restricted assets of the Enterprise Funds were invested in either interest bearing checking accounts or time deposits and were restricted for the following purposes:

Customer Deposits	<table style="margin: auto; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black; padding: 0 10px;">Sewer</td> </tr> <tr> <td style="padding: 0 10px;">\$ 1,266</td> </tr> </table>	Sewer	\$ 1,266
Sewer			
\$ 1,266			

**VILLAGE OF ROBELINE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS-(CONTINUED)**

**(4) GENERAL FIXED ASSETS**

A summary of general fund property, plant and equipment at June 30, 2004, is as follows:

	<u>Balance 6-30-2003</u>	<u>Additions (Deletions)</u>	<u>Balance 6-30-2004</u>
Land	\$ 1,000	\$	\$ 1,000
Building	30,000		30,000
Furniture & Equipment	24,163	4,383	28,546
Recreation Facility	16,661		16,661
Vehicles	39,400		39,400
Total	<u>\$ 111,224</u>	<u>\$ 4,383</u>	<u>\$ 115,607</u>
Accumulated Depreciation	<u>\$ 66,374</u>	<u>\$ 10,969</u>	<u>\$ 77,343</u>
Net Fixed Assets	<u>\$ 44,850</u>		<u>\$ 38,264</u>

**(5) ENTERPRISE FUND PROPERTY PLANT AND EQUIPMENT**

A summary of enterprise fund property, plant and equipment at June 30, 2004, is as follows:

	<u>Balance 6-30-2003</u>	<u>Additions (Deletions)</u>	<u>Balance 6-30-2004</u>	<u>Accumulated Depreciation 6-30-2004</u>
<u>Sewer System</u>				
Plant	\$ 761,259	\$ -0-	\$ 761,259	\$ 194,519
Total	<u>\$ 761,259</u>	<u>\$ -0-</u>	<u>\$ 761,259</u>	<u>\$ 194,519</u>

**(6) LITIGATION**

The Village of Robeline is involved in no litigation at June 30, 2004, which is not covered by the Village's applicable insurance policies or is considered to be significant to the Village's financial statements.

**(7) ELECTED OFFICIAL'S SALARIES**

<u>Name</u>	<u>Title</u>	<u>Annualized Salary</u>
Tommy O'Conn	Mayor	\$ 9,500
Betty Milner	Alderman	480
Sue Lambert	Alderman	480
Janene Hamous	Alderman	480
Ruby Harrison	Alderman	480

**(8) USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(9) RETIREMENT PLANS**

The Village does not offer its employees a retirement plan. All employees are in the social security system.

*Required Supplemental  
Information*

**Village of Robeline, Louisiana**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**

**For the Year Ended June 30, 2004**

	Budget Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)
	Original	Final		
<b>Revenues</b>				
Fees and Charges	\$ 19,292	\$ 16,742	\$ 17,608	\$ 866
Taxes	8,700	8,500	8,002	(498)
Fines & Forfeitures	98,000	186,000	185,073	(927)
Intergovernmental	25,000	25,000	250	(24,750)
Interest	1,400	1,400	-0-	(1,400)
<b>Total Revenues</b>	<b>\$ 152,392</b>	<b>\$ 237,642</b>	<b>\$ 210,933</b>	<b>\$ (26,709)</b>
<b>Expenditures</b>				
Personnel Expense	\$ 99,000	\$ 115,325	\$ 110,681	\$ 4,644
Police Expense	18,100	20,100	14,173	5,927
Other Administrative	9,540	22,280	24,406	(2,126)
Utilities	12,000	14,900	14,813	87
Capital Outlay	5,500	5,500	9,323	(3,823)
Professional	2,400	2,800	1,468	1,332
Contract Labor	5,600	5,600	8,500	(2,900)
<b>Total Expenditures</b>	<b>\$ 152,140</b>	<b>\$ 186,505</b>	<b>\$ 183,364</b>	<b>\$ 3,141</b>
<b>Excess (Deficiency) of Revenues Over Under Expenditures</b>	<b>\$ 252</b>	<b>\$ 51,137</b>	<b>\$ 27,569</b>	<b>\$ (23,568)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In/(Out)	\$ 20,000	\$ 250	\$ 14,804	\$ 14,554
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 20,000</b>	<b>\$ 250</b>	<b>\$ 14,804</b>	<b>\$ 14,554</b>
<b>Net Change in Fund Balance</b>	<b>\$ 20,252</b>	<b>\$ 51,387</b>	<b>\$ 42,373</b>	<b>\$ (9,014)</b>
<b>Fund Balance (Deficit) at Beginning of Year</b>	<b>\$ 3,266</b>	<b>\$ 3,266</b>	<b>\$ 3,266</b>	<b>\$ -0-</b>
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$ 20,252</b>	<b>\$ 54,653</b>	<b>\$ 45,639</b>	<b>\$ (9,014)</b>

See accountant's report.  
The accompanying notes are an integral part of this statement.

*Other Reports*

**VILLAGE OF ROBELINE  
ROBELINE, LOUISIANA**

**MANAGEMENT LETTER COMMENTS**

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During the course of my compilation, I observed conditions and circumstances that may be improved. Below are findings noted for improvement, my recommendation for improvement and the Village's plan for corrective action.

**2004-M-1) Fund Accounting**

***Finding:*** The Village is paying expenses for the sewer fund from the general fund and paying expenditures for the general fund from the sewer fund. This practice gives an incorrect financial picture of the Village's funds.

***Recommendation:*** I recommend that the Village begin paying sewer expenses exclusively from the sewer fund and expenditures for the general fund be paid from the same.

***Village's Response:*** The Village will begin paying sewer expenses from the sewer fund and general fund expenditures from the general fund.

**2004-M-2) Budgets**

***Finding:*** The Village over budgeted its revenue for the fiscal year ended June 30, 2004 by \$26,709 or 11%.

***Recommendation:*** When revenues or expenditures fail to meet budgeted revenue or expenditures by more than 5%, the budget should be amended.

***Village's Response:*** The Village will begin monitoring actual revenue to budgeted revenue and amend the same when there is a variance of 5% or more.

VILLAGE OF ROBELINE  
ROBELINE, LOUISIANA

MANAGEMENT'S SUMMARY  
OF PRIOR YEAR FINDINGS

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Legislative Auditor  
State of Louisiana  
Baton Rouge, Louisiana 70804-9397

The management of the Village of Robeline, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial compilation for the year ended June 30, 2003.

**Prior Year Findings**

**2003-M-1) Fund Accounting (Unresolved)**

***Finding:*** The Village is paying expenses for the sewer fund from the general fund and paying expenditures for the general fund from the sewer fund. This practice gives an incorrect financial picture of the Village's funds.

***Recommendation:*** I recommend that the Village begin paying sewer expenses exclusively from the sewer fund and expenditures for the general fund be paid from the same.

***Village's Corrective Action:*** The Village has begun paying sewer expenses from the sewer fund and general fund expenditures from the general fund.

**2003-M-2) Budgets (Unresolved)**

***Finding:*** The Village over budgeted its revenue for the fiscal year ended June 30, 2003 by \$21,376 or 14% .

***Recommendation:*** When revenues or expenditures fail to meet budgeted revenue or expenditures by more than 5%, the budget should be amended.

***Village's Corrective Action:*** The Village has begun monitoring actual revenue to budgeted revenue and amending the budget when there is a variance of 5% or more.

LOUISIANA ATTESTATION QUESTIONNAIRE

December 15, 2004

JOHN R. VERCHER PC  
Certified Public Accountant  
P.O. Box 1608  
Jena, Louisiana 71342  
Tel: (318) 992-6348  
Fax: (318) 992-4374

In connection with your compilation of our financial statements as of June 30, 2004 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 15, 2004 (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [  ] No [  ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [  ] No [  ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [  ] No [  ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [  ] No [  ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [  ] No [  ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable. Yes  No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513. Yes  No

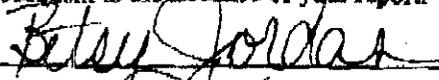
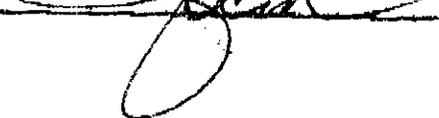
**Meetings**  
We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12. Yes  No

**Debt**  
It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60. Yes  No

**Advances and Bonuses**  
It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729. Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

	Secretary	<u>12-15-04</u>	Date
	Treasurer	<u>                    </u>	Date
	President	<u>12-15-04</u>	Date